DG. 26 1811

Reporting Motor Fuel Sales on Forms ST-1 and ST-2

Informational Bulletin

July 2000

Glen L. Bower Director of Revenue

For information or forms...

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To:

Illinois Retailers of Motor Fuel

This bulletin applies to the sales of motor fuel that you make beginning July 1, 2000, and ending December 31, 2000. It provides examples of how to complete your Form ST-1, Sales and Use Tax Return, and ST-2, Multiple Site Form.

How do I report the tax due on my Form ST-1 for sales of motor fuel made during this period of time?

Example 1 illustrates how to file if

- you are reporting for a single location with a general merchandise tax rate of 6.25 percent and a food, drugs, and medical appliances tax rate of 1 percent, and
- you are reporting the tax due on your receipts from sales made in July, and

- you are reporting the tax due on receipts for both general merchandise and qualifying food, drugs, and medical appliances, and
- the receipts for general merchandise include sales of motor fuel and other products.

Figures used for Example 1

During July, your receipts total \$16,342.00 They include

- \$2,242 total deductions and tax collected,
- \$4,500 from the sales of gasoline,
- ♦ \$2,100 from the sales of gasohol,
- \$2,000 from the sales of diesel fuel.
- \$500 from the sales of general merchandise, such as sunglasses and soft drinks, and
- \$5,000 from sales of qualifying food, drugs, and medical appliances, such as bread and aspirin.

Example 1

There is no change to the method you use to calculate the amounts for Lines 1 through 3 of your Form ST-1, or the way you report those amounts on your return and worksheet.

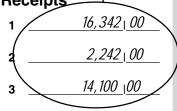
The 30 percent (.30) portion of gasohol receipts, which are exempt, must still be reported on Line 8 of your ST-1

Worksheet for Line 2. Tax remains due on the remaining 70 percent (.70) of your gasohol receipts.

Form ST-1

Step 1: Figure Your Taxable Receipts

- 1 Total receipts (Include tax.)
- 2 Deductions include tax collected (Use worksheet on back.)
- Taxable receipts(Subtract Line 2 from Line 1.)



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Example 1

Form ST-1

Check your math. In this example, Lines 4a + 5a + 8a should equal Line 3. 500.00 + 5.000.00 + 8.600.00 = 14.100.00

The figure on Line 4a is made up of the \$500.00 in receipts from general merchandise sales, such as sunglasses and soft drinks. These items are taxed at the 6.25 percent (.0625) general merchandise rate.

Step 2: Figure Your Tax on Receipts

Sales from locations within Illinois

General merchandise

4a $500 \mid 00 \times .0625 = 4b$ Food, drugs, and medical appliances

5a $5,000 \mid 00 \times .01 = 5b$ $50 \mid 00$

Report the tax due on Line 4b. $$500.00 \times .0625 = 31.25 (round this figure down to \$31.00)

The figure on Line 5a is made up of the

\$5,000.00 in receipts from your sales of

ances. These items are taxed at the 1

percent (.01) food, drugs, and medical

qualifying food, drugs, and medical appli-

Sales from locations outside Illinois General merchandise

6a _____ | ___ x =
 Food, drugs, and medical appliances
 7a _____ | ___ x =

-i

Sales at prior rates

Receipts taxed at other rates

8a 8,600 00
9 Tax due on receipts
(Add Lines 4b, 5b, 6b, 7b, and 8b.)

8b <u>108</u> | <u>00</u>

Report the tax due on Line 5b. $$5,000.00 \times .01 = 50.00

appliances tax rate.

The figure on Line 8a is made up of your receipts from sales of

- gasoline for \$4,500.00,
- gasohol for \$2,100.00, and
- diesel fuel for \$2,000.00. These items are taxed at the temporary rate for motor fuel sales.

Note: The gasohol receipts of \$2,100.00 in this example are the 70 percent (.70) taxable portion of total gasohol receipts of \$3,000.

To figure the temporary rate, subtract the 5 percent (.05) portion of the state's general merchandise rate from the rate that applies to your location. For single location filers, that rate is preprinted in Line 4a.

189 ₁ *00*

In this example, the temporary rate is 1.25 percent.

The preprinted rate from 4a .0625 minus the state portion .05 equals the temporary rate .0125

Report the tax due on Line 8b.

total receipts for Line 8a

 $$8,600.00 \times .0125 = 107.50 (round this figure up to \$108.00)

A breakdown of the items comprising your receipts for Line 8a follows:

gasoline

 $4,500.00 \times .0125 = 56.25$

gasohol

 $3,000.00 \times .70 = 2,100.00$ $2,100.00 \times .0125 = 26.25$

diesel fuel

 $$2,000.00 \times .0125 = 25.00

total tax due for Line 8b

\$56.25 + \$26.25 + \$25.00 = \$107.50

For an explanation of the accounts receivable that could be reported on Lines 8a and 8b, see Example 2 on the following page.

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During this temporary time period, how do I report the receipts and tax due from my accounts receivable?

For accounts receivable that you report during this temporary time period, if you

- have receipts from sales that are taxed at the preprinted rate on your return, report the receipts on Line 4a and the tax due on Line 4b.
- have receipts from sales that are taxed at a rate that is different from the preprinted rate on your return, separately calculate the tax due for those accounts receivable at the appropriate rate. Report the receipts on Line 8a and the tax due on Line 8b.

Figures used for Example 2

During July, your taxable receipts total \$5,200. They include

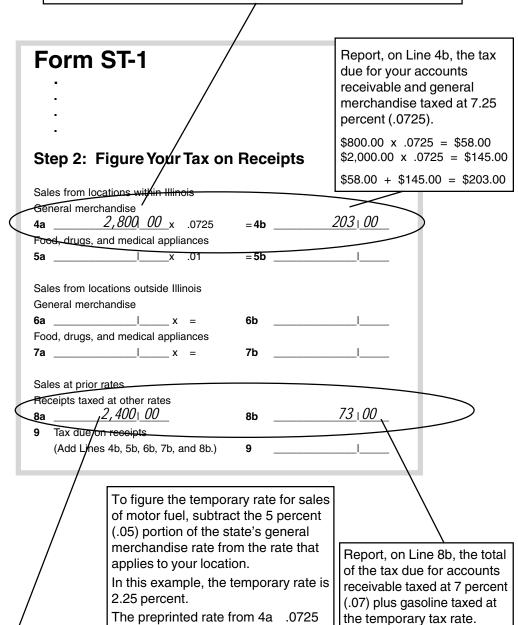
- \$2,000 from the current month's sales of general merchandise, such as sunglasses and soft drinks.
- \$800 from accounts receivable for gasoline receipts that were taxed at the rate preprinted on your return,
- \$2,000 in gasoline receipts that were taxed at the temporary tax rate for motor fuel, and
- \$400 from sales made at a previous rate. In this example, 7 percent (.07).

Note: The only motor fuel receipts in this example are for sales of gasoline.

The figure on Line 8a is made up of the receipts from your accounts receivable that were made at a rate other than the rate that is preprinted on your return (.07) plus your current month's receipts for gasoline that are taxable at the temporary rate.

Example 2

The figure on Line 4a is made up of the receipts from your accounts receivable for gasoline that were made at the rate that is preprinted in Line 4a of your return plus your current month's receipts for general merchandise that are taxable at the preprinted rate.



.05

.0225

 $$400.00 \times .07 = 28.00

 $2,000.00 \times .0225 = 45.00$

\$28.00 + \$45.00 = \$73.00

minus the state portion

equals the temporary rate

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How do I complete Form ST-2?

You must calculate your tax due on the receipts for each location from which you make sales. See Example 3.

- Figure the tax on your general merchandise receipts from sales at the preprinted rate.

 Report these receipts on Line 4a and the tax due on Line 4b.
- Figure the tax on your receipts from qualifying sales of food, drugs, and medical appliances at the preprinted rate. Report these receipts on Line 5a and the tax due on Line 5b.
- Figure the tax on your motor fuel receipts using the temporary general merchandise tax rate. Report these receipts on Line 8a and the tax due on Line 8b.

As always, report the sum of receipts and tax due amounts from all locations on the corresponding lines 4a, 4b, 5a, 5b, 8a, and 8b on Form ST-1.

Note: For accounts receivable that you report during this temporary time period, if you

- have receipts from sales that are taxed at the preprinted rate on your return, report the receipts and tax due on Lines 4a and 4b.
- have receipts from sales that are taxed at a rate that is different from the preprinted rate on your return, separately calculate the tax due for those accounts receivable at the appropriate rate. Report, on Lines 8a and 8b, the sum of

your receipts and tax due from the accounts receivable plus the motor fuel you sold at the temporary rate.

